

MAINE GAMBLING CONTROL BOARD

December 15, 2015

09:00 – 10:25am

Gambling Control Board Room

45 Commerce Drive Suite 3, Augusta Maine 04333

Meeting opened at 9:00 am

Board members present: Tim Doyle, Chair; Barbara Dresser; Robert Harmon;

Staff present: Auditor Donald Berrie, Auditor Jill Tobey, Inspector Supervisor Vicki Gardner, Detective Don Armstrong, Office Specialist I Janine Collins, Executive Director Patrick Fleming.

Legal counsel present: Assistant Attorney General Ron Guay.

Introductions:

The Board introduced themselves followed by introductions of the staff and counsel by Executive Director Fleming.

Review of the minutes 12/15/2015

Motion to accept Robert Harmon, Board Member

Seconded: Barbara Dresser, Board Member

Vote: Unanimous

Executive Director Report: Personnel – Executive Director Fleming informed the Board at the October meeting that our Office Assistant had taken a position with another state agency. We have since hired a new Office Assistant and she started a few weeks ago. Her name is Mallory Reilly and she came to us from the private sector. She has worked hard to learn the requirements of her position and has been catching on quickly. She is not here today because she had a previously scheduled appointment but will be here for you to meet at the next meeting.

MDEA Funding – Each member of the Board was sent a copy of the financial order signed recently by the Governor to fund 10 MDEA agents for the rest of this fiscal year. The order took money from the Gambling Control general fund all other budget and transfers it to MDEA. Another financial order was signed that will allow us to use our other special revenue account to pay for our all other expenses. The special revenue account is funded by the license fees paid by the gambling companies and employees and is non-lapsing. This account has been in place for a couple of years and has been used to primarily pay for Scientific Games. This order will fund them until July and the plan is the legislature will fund them going forward.

BMM Contract – We are still in the process of signing a contract with BMM Testlabs. They have been sent the contract and we are awaiting the signed copies to be returned before the contract will go into effect. Once the contract is signed manufacturers will be able to use BMM Testlabs to get approval to submit games to the State of Maine casinos.

Hollywood Casino Bangor Management Change – Executive Director Fleming has been informed by Hollywood Casino that their Surveillance Director Antonio Perez has been promoted within the Penn National organization and has been transferred to another property. While his position has been vacant Hollywood has combined the Security and Surveillance position into one position that is being filled by Dan Saunders, the Security Director. Dan Saunders was previously the Director of Surveillance so he has experience in the position. Hollywood has used the combined position previously and they were the ones that submitted the IC change to allow this combined position.

Daily Fantasy Sports – Executive Director Fleming advised the Board at the October meeting of one of the hot topics of the Global Gaming Expo that I attended was the expansion of Daily Fantasy Sports. Many states as well as the federal government have been looking at this activity to try and determine how it should be regulated. The most recent decision regarding these leagues was in the State of New York where the AG there determined that these sports were gambling and illegal in New York. The two major companies Fan Duel and Draft Kings appealed the decision of the New York AG and the AG's decision was upheld last Friday by a Justice of the New York Supreme court but that ruling was quickly overturned by the New York appeals court. Currently Fantasy Sports is still being played in

New York which has a large demographic of fantasy sports players. Attorney General Mills has been reviewing how these games are played and how Maine statutes might apply. Under current statutes these activities would not be under the Board's purview.

HCB Christmas Hours – Executive Director Fleming was informed that Hollywood Casino would be opening late on Christmas Day. They would be opening at 11 AM instead of 8 AM on Christmas morning. They are doing this to allow their employees to spend more time with their families that morning. The Inspectors have been advised of the change.

Auditors Report: Auditor Donald Berrie – Auditor Berrie reports on gambling tax revenue for October and November and their prior year relationship on a monthly, quarterly and year-to-date basis. This information is a summarization of data reported on the "Revenue Totals" tab of the Gambling Control Board website. October 2015 tax revenue was \$4,598,000, an increase of \$111,000, or 2% above the same period in 2014, making calendar year-to-date revenue \$44,258,000, an increase of \$537,000, or 1% over the same period in 2014. For the partial calendar quarter #4 revenue through October 31st, revenue was \$4,598,000 which is \$111,000, or 2%, higher than calendar quarter #4 2014. November 2015 tax revenue was \$4,109,000, an increase of \$237,000, or 6% above the same period in 2014, making calendar year-to-date revenue \$48,367,000, an increase of \$774,000 or 2% over the same period in 2014. For the partial calendar quarter #4 revenue through November 30th, revenue was \$8,706,000 or 4% higher than calendar quarter #4 2014. The revenue trend chart demonstrates the October and November tax revenue was higher than in the prior two years. You have also received reports for Hollywood and Oxford Casinos showing monthly, quarterly and year-to-date allocations of these revenues for the months ended October and November of 2014. Slot machine hold must be in compliance on a quarterly basis. The next benchmark will be the quarter covering October 1st through December 31st. As always, your auditors are also monitoring holds on a daily and weekly basis.

Revenue Allocation In accordance with statute, Maine Maritime Academy and the University of Maine System must report fall enrollment numbers each year to determine the percentage of revenue they will receive effective the following July. Data has been received, analysis has been performed and there will be no change in the allocation effective July 1, 2016.

Audit program The slot machine component at Oxford casino has commenced with a review of procedural documentation. Auditor Tobey performed an initial interview visit. Due to holidays, the next phase will be performed after the first of the year.

State Police Update: Detective Don Armstrong – Very active as far as title thefts, there have been 10 and out of that 9 have been returned one is pending. There have been two counterfeit bills located only one was located where he could actually identify a person with it. This one they actually received the bill at the casino so there was nothing we could follow up on. Since the last meeting 111 renewals were completed. 46 new applications were done and 35 are still pending. A follow up to an incident from two months ago where a patron took \$600 from the casino this issue has still not been resolved. Calls for service were Bangor was 10 and Oxford was 21.

Unfinished Business: Annual Report – As the board is aware we have to provide an Annual Report to the Governor before March 15th. The Board is aware by law what needs to be in the Annual report. Board member Harmon would like to have the annual report more reader friendly. Chair Doyle appointed a sub-committee to work on this and report back for January's meeting.

New Business: Oxford Criss Cross Poker Rules – The standard rules apply for this game. The board

Motion to approve Criss Cross Poker: Bob Harmon

Seconded: Barbara Dresser

Vote: Unanimous

Oxford IC Change – To match the MICS this is one that got overlooked when they did the changes at the last meeting.

Motion to approve the IC change: Bob Harmon

Seconded: Barbara Dresser

Vote: Unanimous

Public Comment: Jose Flores - Hollywood Casino update on the casino on community involvement by employees at the casino

Cheryl Cichowski- Updated Board on the use of the funding that is received for Problem Gambling. They are working on the Annual Conference for Problem Gambling.

Public Hearing- Adjudicatory Hearing was held on the Erin Dulac matter directly following the completion of all the Boards regular business.

Motion to adjourn: Robert Harmon

Second: Barbara Dresser

Vote: Unanimous

Meeting Adjourned: 10:25

Next meeting is January 19 @ 9am @ 45 Commerce Drive Suite 3 Augusta, Maine 04330

Respectfully submitted Janine Collins, Office Specialist I